

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	
DIABETES AMERICA, INC.,	§	CASE NO. 10-41521-H1-11
	§	
Debtor.	§	

DEBTOR'S NOTICE REGARDING QUALIFIED BIDS

Diabetes America, Inc. (the "Debtor") files this Notice Regarding Qualified Bids pursuant to the Court's August 18, 2011 Order Approving (A) Sale Procedure, Form of Asset Purchase Agreement and Form of Notice; and (B) Bid Protections (the "Sale Procedure Order").

No Additional Qualified Bids

1. Pursuant to the Sale Procedure Order, EDG Partners Fund II, L.P. is a Qualified Bidder. There were no additional Qualified Bids received before the deadline set forth in the Sales Procedure Order.

2. Accordingly, the Debtor will not conduct an auction on October 4, 2011 at 10:00 a.m.

Dated: September 26, 2011.

Respectfully submitted,

Porter Hedges LLP

By: /s/ Joshua W. Wolfshohl
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Counsel for the Debtor

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument was duly served by electronic transmission to (i) all registered ECF users appearing in the case; and (ii) EDG Partners Fund II, L.P. and its counsel on September 26, 2011.

/s/ Joshua W. Wolfshohl

Joshua W. Wolfshohl